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# SUMMARY RECORD OF THE 5th MEETING

Chairman: Mr. de ROJAS (Venezuela)

CONTENTS

GENERAL DEBATE (continued)

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The meeting was called to order at 10.10 a.m.

GENERAL DEBATE (continued)

1. Mr. PROVENCIO (Mexico) said that while the outlook for the world economy was encouraging, every effort must be made to ensure that the benefits of economic growth were more equitably distributed and, in particular, to ensure that the benefits of globalization were enjoyed by all and that its intrinsic risks were minimized. The recurring financial crises in various regions underscored the need for strengthened international cooperation in order to enable countries to cope with the challenges that globalization presented. In that context, he referred to the agreed conclusions adopted by the Economic and Social Council at its substantive session, which recognized that international cooperation and partnership were vital to the creation of a favourable environment for development.

2. His delegation supported the proposal to convene a special session of the General Assembly in 1999 to review the Programme of Action of the International Conference on Population and Development. The preparatory work for the special session should be carried out by the Commission on Population and Development.

3. With regard to international migration, a phenomenon which affected every country and region of the world, his delegation supported the principles of shared responsibility and concerted action among countries with a view to arriving at a realistic, long-term solution. While nations had a sovereign right to regulate the entry of aliens into their territory, they must not violate the rights of migrants. Mexico had expressed its strong support for the human and labour rights of migrants, rejecting repressive police measures to prevent and control migratory flows. During the fifty-third session of the Commission on Human Rights, his delegation had submitted a draft resolution on migrants and human rights, which had been adopted by consensus both by the Commission and the Economic and Social Council. On the basis of the Mexican initiative, the Commission on Human Rights had decided to establish a working group of intergovernmental experts responsible for formulating recommendations on strengthening the promotion, protection and exercise of such rights.

4. The scant progress achieved in the implementation of the agreements adopted at the United Nations Conference on Environment and Development was regrettable. It was his delegation's understanding that the decisions adopted by the General Assembly during its nineteenth special session complemented Agenda 21 and had been adopted in order to expedite its implementation. As part of the follow-up to the process launched by the Earth Summit, Mexico was participating actively in the elaboration of a protocol on biosafety and in the work of the Intergovernmental Negotiating Committee for the Elaboration of an International Convention to Combat Desertification in those Countries Experiencing Serious Drought and/or Desertification, particulary in Africa. It would also participate in the third session of the Conference of the Parties to the United Nations Framework Convention on Climate Change. The agreed legal framework of that Convention must not be watered down. The industrialized countries, which had freely polluted the environment for 200 years were not fulfilling their commitments with respect to greenhouse gas emissions. They must take immediate

action, even in the absence of quantifiable commitments on the part of some developing countries. The principles of equity and political viability must prevail in establishing limitations on greenhouse gas emissions. Every effort must be made to ensure that the development potential of developing countries was not limited in the process.

5. Technological progress, trade liberalization, financial deregulation and the spread of market economies had generated friction between the international economy and national economies. In seeking to integrate into the global economy, States must remain responsive to the social needs of their populations.

6. Mr. OVIA (Papua New Guinea) noted that the special session of the General Assembly to review the implementation of Agenda 21 had set a precedent for future reviews of the follow-up to other international conferences. In that context, his delegation looked forward to the review of the Programme of Action for the Sustainable Development of Small Island Developing States. The special session, however, had dimmed the hopes generated by the discussion of an enabling international economic environment during the most recent session of the Economic and Social Council and by the many international conferences of the 1990s. In a world where people lacked safe drinking water and where 158 million children were malnourished, political obstacles to sustainable development and the eradication of poverty were unacceptable.

7. Developing countries were particularly vulnerable to the type of market volatility which had led to the crisis in East Asia. They must be given an opportunity to adjust to the free flow of international trade and capital in a favourable international environment which accorded preference to both their primary and secondary products. The principles of free global markets were still being applied selectively. That made the issue of financing for development even more relevant to the long-term peace and security of States. In that connection, his delegation supported the proposal for an international conference on the financing of development. The Committee must take the lead on issues concerning strategies for increasing participation of developing countries in the development process, thereby setting an example for the multilateral financial institutions. In that context, his delegation welcomed the general thrust of the statement made by the President of the World Bank at the recent meeting of the International Monetary Fund (IMF) and World Bank, held in Hong Kong, which recognized the growing gap between rich and poor and the need for positive action to alleviate poverty.

8. During the forty-eighth session of the General Assembly, his delegation had supported an initiative to complement the elaboration of an agenda for development and translate its concepts into practical action. It now welcomed the support of the International Monetary Fund for the concepts of opportunity and participation embodied in that initiative, which, inter alia, called for those countries which possessed natural resources to participate in economic development. "Opportunity" and "participation" meant including the developing countries in development strategies, if necessary, by using targets, such as the number of local experts in a particular sector, in order to assess capacity-building in various countries; addressing the growing disparity between the wealthy developed countries and the poor developing countries; dealing with poverty as a global phenomenon and its impact on health and education; and

promoting information management, including access to modern technologies in support of government policy decisions.

9. The attempt to make good governance a conditionality for the granting of development assistance raised serious doubts about the global partnership forged during the Rio conference. The principles of governance were to be applied to a country's constitutional framework; they were not to be used as a pretext to breach international commitments and obligations, including those undertaken by the members of the World Trade Organization. Lastly, in view of the differences of view which had come to light during the nineteenth special session, his delegation remained pessimistic that the Conference of the Parties to the Framework Convention on Climate Change, to be held in Kyoto, would be able to break new ground.

10. Mr. BAALI (Algeria) stressed the need for an international economic environment that was favourable to development in order for the developing countries to benefit from world economic growth. The participation of those countries in world trade and their responsibility for their own development must also be enhanced. Globalization had aroused concern among the countries of the South, many of which were more marginalized and even excluded from the global development process as a result of it. The recent financial crises in certain parts of the world demonstrated the need to ensure that globalization led to cooperation and the progress and development of all. The United Nations had a vital role to play in that regard.

11. His delegation welcomed the reform initiatives of the Secretary-General, outlined in his report entitled "Renewing the United Nations: A Programme for Action" (A/51/950). It was now incumbent on Member States to ensure that such reforms truly strengthened the Organization. In the age of globalization, and at a time when the Agenda for Development had finally been adopted, it was - to say the least - regrettable, that efforts were being made to marginalize the United Nations, curb its development activities and subject it to new, externally imposed rules. The reform of the United Nations development system must not be a pretext for giving more power to certain organs with a limited mandate to the detriment of others, particularly the General Assembly. In that connection, the purpose of General Assembly resolution 50/227, namely to strengthen and revitalize the United Nations development system, must be strictly respected. Development must be viewed as a whole; even social and environmental concerns, important as they were, must be viewed within the larger context of economic development.

12. The goals of any genuine reform should be to: confirm the primary role of the United Nations in economic and social development; establish genuine democracy at the international decision-making level; strengthen cooperation mechanisms in favour of the countries of the South in an effort to help them integrate more rapidly in the world economy; and increase resources for development. It would also be necessary to reform political attitudes which had so often impeded the achievement of United Nations goals. That was particularly true as the mandate of the United Nations operational activities had been weakened by a sharp drop in available resources.

13. His delegation welcomed the diversity of new sources of financing, particularly those from the private sector. However, since they were unpredictable such resources could not replace traditional core resources. While sustainable human development must be driven by economic growth, factors such as official development assistance, technology transfer, a solution to the issue of external debt, and poverty reduction remained equally important. In that connection, it would be important to renew the high-level dialogue on strengthening international economic cooperation for development through partnership, focusing on the theme of "the social and economic impact of globalization and interdependence and their policy implications".

14. While the major international conferences of the 1990s had resulted in an international consensus on many issues, they had not resolved the problems of the financing of development and international migration. His delegation strongly supported the convening of United Nations conferences on both those issues. It also supported the convening, in 1999, of a special session of the General Assembly to review the implementation of the Programme of Action of the International Conference on Population and Development. The special session should focus, in particular, on the mobilization of resources to implement the recommendations of the Conference.

15. Mr. KA (Senegal) said that his delegation had had a mixed reaction to the adoption of the Agenda for Development. On the one hand, the adoption of the Agenda launched a new international partnership for development based on sustainable economic growth, social justice, and the protection of human rights and the environment. On the other hand, it highlighted the sharp differences that persisted between North and South concerning international trade, debt, the transfer of technologies, official development assistance and the promotion of direct, private investment. Unless new and additional sources of financing were mobilized at the international level, the new Agenda would be meaningless.

16. His delegation had studied with interest the recommendations of the Secretary-General in his report on a programme for reform (A/51/950). It hoped that Member States would complete their deliberations within a reasonable time period so that the Secretary-General could implement the proposed reforms during the next biennium. The issues of development, and international peace and security, must remain the focus of discussions on reform. Reforms must not be based merely on a cost-benefit analysis, in total disregard of the public service mission of the United Nations.

17. The outcome of the special session of the General Assembly to review the implementation of Agenda 21 had been far from reassuring. While it had resulted in increased awareness of the adverse impact of environmental degradation, and the integration of an environment component in national development policies, nothing had been done about the growing poverty, the marginalization of more than 1 million human beings living on less than a dollar a day, the precariousness of natural resources and the declining biodiversity.

18. Lastly, globalization and liberalization were not an end in themselves. Such concepts would become meaningful only if they were people-centred rather than detached from national and international policies. Indeed, the huge

disparity between rich and poor was becoming a threat to international peace and security.

19. Senegal intended to pursue its national development efforts and to that end was holding regular consultations with social and economic agents (employers, trade unions and rural workers) with a view to promoting a dynamic partnership that would help create conditions for healthy, strong and sustainable growth.

20. In view of foreign investors' continuing lack of confidence in Africa, Senegal, together with other African countries, had concluded a treaty on the harmonization of business law in Africa, which had entered into force on 18 September 1995 and for which Senegal was the depositary. The treaty would help strengthen legal aspects of business relations in Africa and the rest of the world. The treaty was part of Africa's efforts to develop an environment conducive to foreign direct investment.

21. Mr. WIBISONO (Indonesia) said that, for most developing countries, particularly the least developed countries, globalization had brought about economic disadvantage, social disruption and virtual exclusion from the mainstream global economy. Despite their best efforts to adjust, many of those countries remained in the grip of wrenching poverty, acute unemployment and crushing external indebtedness. It was clear that the basic problems of globalization had not yet been seriously addressed and the time had come to create an external environment conducive to development of the developing countries.

22. It was imperative to rekindle the spirit of multilateral cooperation for development and the eradication of poverty. The United Nations was best suited for that purpose, since it could not only counterbalance the negative aspects of globalization but could also facilitate the effective integration of all countries into the world economy. For that reason, his delegation attached great importance to the ongoing process of revitalizing and reforming the United Nations. The reforms should primarily promote the core issues of development, particularly in the areas of trade, money, finance, indebtedness, technology and information. The reform process must be complemented by Member States' efforts to ensure that the United Nations was put on a sound financial footing and that it could count on continued and predictable financing for its development activities.

23. The Agenda for Development provided a comprehensive framework of principles and action-oriented measures that should greatly help promote development as the central concern of international cooperation. It was important that the Agenda, which had taken four years to negotiate, should not become a dead letter, and Member States should work diligently to ensure its follow-up.

24. Perhaps the most constraining factor inhibiting development was the lack of adequate financial resources. While there had been an increased emphasis on foreign direct investment (FDI), it was important to remember that official development assistance (ODA) was the principal source of development financing for most developing countries. The sharp decline in ODA had taken an enormous toll on the social and economic development of many developing countries. In

that context, his delegation supported the proposal to convene an international conference on the financing of development.

25. The perennial problem of chronic external indebtedness constituted a serious impediment to development. Indonesia had always attached great importance to the "once and for all" approach that advocated a reduction in the overall debt burden and servicing of an indebted country to a level that would allow it to resume its development activities. For that reason, his delegation considered that the Heavily Indebted Poor Countries Debt Initiative of the International Monetary Fund (IMF) and the World Bank would do much to help a number of the poorest countries to break out of the vicious circle of indebtedness. His delegation also welcomed the recent decision by IMF and the World Bank to implement the Initiative for Uganda, Bolivia and Burkina Faso. Efforts should be made to expand the Initiative to other heavily indebted countries. In spite of its budget constraints, the Government of Indonesia had contributed $10 million to the Initiative's Trust Fund.

26. Many developing countries were concerned that, in spite of the establishment of the World Trade Organization (WTO), resistance to their exports had intensified. That was largely due to the increasing competitiveness of developing countries based on their comparative advantage. Protectionism took many forms, and the attempts to introduce more and more non-trade-related constraints, such as the linking of trade to core labour standards, was particularly disturbing to many developing countries. For the most part, such concerns served only to divert attention from the critical issues of international trade and investment. It was high time to promote an equitable, transparent and rule-based multilateral trading system.

27. Mr. KEBEDE (Ethiopia) said that while the developing countries recognized that they had to assume a leading role in ensuring their effective integration into the global economy, their capacity to gain access to and benefit from the expanding global market and growing investment opportunities had been constrained by their underdevelopment, protectionism and by the deteriorating terms of trade. Steps must be taken to promote the integration of those countries that had not yet benefited from the overall increase in the globalization of international trade. Special attention should be given to the full implementation of the specific provisions for the least developed countries in order to enable them to benefit fully from the results of the Uruguay Round.

28. The international community must improve the functioning of commodity markets by ensuring greater transparency and more stable and predictable conditions. It should also respond favourably to requests for technical assistance to promote export diversification from developing countries that were highly dependent on the export of a limited number of commodities. In addition to those long-term structural solutions, it was also necessary to develop a multilateral compensatory financing scheme to address the short-term difficulties that could arise as a result of heavy dependence on commodity exports.

29. Another area that called for genuine partnership was the resolution of debt overhang and the debt-service payment problem of the developing countries, especially African developing countries and the least developed countries. His

delegation appreciated the debt-relief measures undertaken by creditor countries within the framework of the Paris Club, and their cancellation and equivalent relief of bilateral official debt. Nevertheless, external debt and debt-servicing problems persisted, particularly in the poorest and heavily indebted countries. Because of the conditionalities that it imposed and its limited scope, the Heavily Indebted Poor Countries Debt Initiative had failed to resolve the debt problem. There was therefore an urgent need for an effective, equitable, development-oriented and durable solution to the external and debt-servicing problems of developing countries.

30. A way must be found to stem the decline in ODA and core resources for United Nations development activities. Development assistance was a source of financing in countries whose capacity to mobilize resources from the capital market and foreign direct investment was constrained by their low level of development. Such resources were sorely needed by poor countries to build the capacities necessary to take full advantage of international investment opportunities and to gain access to international markets.

31. Much remained to be done by the international community to assist developing countries, especially African developing countries and the least developed countries, in mobilizing foreign direct investment. There was a need to address, as a matter of priority, the problem of infrastructure development, local capacity-building and the creation of appropriate social services. The flow of foreign direct investment to Africa largely depended on the image and perception that outsiders had of the continent. With all the stories of misery and doom coming out of Africa, it was not surprising that foreign investors shied away from Africa. That trend must be reversed. The developing countries, together with their development partners, needed to address the issue through the establishment of a joint mechanism for promoting investments, and the development and use of modern communication and information technology.

32. Ms. RODRIGUEZ (Peru) said that, under Article 13 of the Charter of the United Nations, the General Assembly was responsible for promoting international cooperation in the economic and social fields. That objective must be revitalized in order to reverse the trend towards decreased flows of official development assistance (ODA). Medium-income countries such as Peru were prepared to work together with their developed partners with a view to promoting specific cooperation mechanisms that fostered economic and social development on the basis of mutual interest. Peru was committed to taking concrete measures in such areas as the eradication of poverty, the advancement of women, and population and development. Peru had set itself the goal of reducing extreme poverty by about 50 per cent by the year 2000 and had recently established a ministry dealing with women and the promotion of sustainable human development. In the field of population, Peru's priority implementation of its family planning policy was geared to improving the health of women and eliminating poverty within the framework of a sustainable development strategy.

33. Global financial integration and imbalances in financial and money markets had adversely affected many countries, particularly emerging market economies. In that regard, it was necessary to promote an intergovernmental dialogue on financing for development that would take account of the Secretary-General's recommendations and the Agenda for Development.

34. Like many other countries of the Pacific basin, Peru was subject to a cyclical natural phenomenon known as El Niño. That phenomenon had had severe economic, environmental and social consequences and was drastically changing the marine ecosystem, which was the source of sustenance and employment for broad sectors of humanity. Her delegation proposed that the United Nations system's operational capacity in cases of natural disasters should be improved and strengthened. The countries members of the Permanent Commission for the South Pacific, which included Peru, were working towards that end.

35. The results of the special session of the General Assembly to review and appraise the implementation of Agenda 21 had not been very encouraging. While many developing and developed countries were making efforts to protect the environment, there was still not enough financial assistance or transfer of technology to enable the international community to meet that global challenge. In that regard, her delegation hoped that the Conference of the Parties to the United Nations Framework Convention on Climate Change, in which Peru had introduced a proposal on the reduction of greenhouse gases, would adopt realistic agreements that would benefit mankind. Peru also participated actively in the meetings of the Intergovernmental Forum on Forests of the Commission on Sustainable Development.

36. Mr. REVA (Ukraine) said that economic growth alone could not solve all economic and social problems. Many countries continued to face serious problems of underdevelopment, environmental pollution and impoverishment, which went far beyond their national borders. The long-term solution of such problems could not be provided through emergency assistance alone; all countries must make concerted efforts to promote international cooperation in the economic and social fields and foster progress towards sustainable development. In that regard, the United Nations should play a leading role in coordinating the efforts of individual countries to promote world peace and achieve sustainable development.

37. In order to meet the global challenges of the coming century, the United Nations must improve its structure and internal organization and enhance its effectiveness. In that regard, his delegation welcomed the Secretary-General's efforts to restructure and revitalize the United Nations system, and supported his recommendations dealing with the organization and methods of work of the Economic and Social Council and the restructuring of its subsidiary bodies. It was particularly important to continue the Council's practice of having a policy dialogue at the high-level segment with the participation of Member States and executive heads of United Nations funds and programmes.

38. His delegation appreciated the Secretary-General's efforts to enhance the operational activities of the United Nations system and mobilize necessary resources, as well as his efforts to ensure closer integration between the United Nations Development Programme (UNDP), the United Nations Population Fund (UNFPA) and the United Nations Children's Fund (UNICEF) by convening joint meetings of their executive bodies. While his delegation could support the Secretary-General's recommendations on a wide-ranging consolidation and reconfiguration of the Council's subsidiary machinery with a view to avoiding overlapping and duplication, it believed that some of his other recommendations required closer examination.

39. The Ukraine was in a period of transition towards a market economy. Significant progress had been achieved in the area of privatization while inflation had been reduced. Although his Government had taken steps to encourage industrialized countries, international financial institutions and private investors to invest in Ukraine, the level of direct foreign investment remained well below what the country could absorb. Since it considered expansion of foreign trade a top priority, his Government attached particular significance to the acceleration of Ukraine's process of accession to the World Trade Organization. To that end, it was taking the necessary steps to ensure that the foreign trade regime and national legislation were in line with the international legal requirements of WTO.

40. His delegation welcomed the adoption of the Agenda for Development, which defined the role and specific tasks of United Nations bodies and agencies in solving worldwide development problems. What was required now was the political will of poor nations to undertake fundamental social and economic reforms and to ensure a more efficient utilization of their national potential and the commitment of the developed countries to create a more favourable economic environment and to provide financial support for development.

41. Ukraine had always attached special significance to environmental issues and, despite its current economic difficulties, was making every effort to achieve the goals set under Agenda 21. The state of the world environment remained a source of concern, with patterns of consumption and production changing too slowly, and insufficient attention being paid to the ecological factors in national strategies. The mechanism for the transfer of environmentally sound technologies needed to be substantially improved. It was impossible to tackle environmental problems without addressing the consequences of large-scale, man-made catastrophes such as the Chernobyl disaster. He therefore called on the international community to assist Ukraine in finding a comprehensive solution to the Chernobyl problem, which could not be eliminated simply by decommissioning the plant.

42. Mr. MAPURANGA (Zimbabwe) said that although it was well over a year since the United Nations System-wide Special Initiative on Africa had been launched, African countries had not seen any discernible progress in its implementation. More work was needed at the country level to popularize the Initiative's objectives.

43. The economic gap between Africa and the rest of the world was widening. Only 3.8 per cent of total investment flows into developing countries had gone to African countries and the continent remained marginalized although substantial progress had been made in regional economic cooperation in promoting intra-regional trade, harmonizing fiscal and monetary policies and eliminating impediments to cross-border movement of goods and services. Those innovative approaches notwithstanding, Africa could not expect to achieve sustained economic growth and development unless it dealt once and for all with its growing external indebtedness, worsening terms of trade and capital flight. In that connection, Zimbabwe welcomed recent encouraging trends in international cooperation, especially the Heavily Indebted Poor Countries Debt Relief Initiative.

44. Notwithstanding the recent improvement in economic performance of some African countries, there was still no consensus between African countries and their developed partners that official development assistance must remain a major source of financial resources. ODA could not be replaced entirely by increased foreign direct investment. In Africa, such investment was low or non-existent and what there was had been concentrated in a handful of countries. He was concerned that efforts to devise a multilateral investment regime designed to confer greater advantage on the already strong actors would not benefit Africa. Despite the current arrangements, which gave Africa's exports relatively fewer tariff and quota barriers, those preferences were facing onslaught from third parties.

45. Noting that his Government had actively pursued environmental issues, had ratified the United Nations Convention to Combat Desertification in those Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa, and had participated in the First Conference of the Parties held in Rome, he said that the Convention should now be provided with the requisite financial and instrumental means for implementing its commitments.

46. The recent review of the implementation of Agenda 21 had clearly showed that the lack of political will in meeting environmental obligations had seriously undermined efforts in the area of sustainable development. While progress had been made in adopting and implementing conventions dealing with desertification, climate change and biodiversity, the commitment to provide requisite financial resources was still lacking. In that connection, his delegation hoped that the forthcoming Conference of the Parties to the United Nations Framework Convention on Climate Change would produce landmark decisions which would help to reverse the negative effects of global warming.

47. Noting that the second session of the World Solar Commission had approved the World Solar Programme by acclamation, he said that the Programme had the potential to transform the lives of millions of people around the world. However, its successful implementation would require both human and adequate financial resources from Governments, the private sector, non-governmental organizations and the United Nations system. Such funding would constitute an immense contribution to the international community's efforts to preserve the world's forests in particular, and the global environment in general.

48. Recalling that the main theme of the next session of the Commission on Sustainable Development would be freshwater resources, he said that the overall objective of Zimbabwe's water sector reform programme was to ensure sustainable and economically feasible use of water resources taking into account shared waters. He therefore appealed for external assistance to the Southern African Development Community in that area.

49. Although poverty was fast becoming the gravest challenge facing humanity, the issue was absent from the national agenda of most developing countries, it being assumed that poverty eradication was an automatic offshoot of economic growth. Unfortunately, achieving rapid economic growth did not necessarily eliminate poverty. Instead, poverty-sensitive macroeconomic policies and development programmes were required. His delegation applauded the national execution modality of the United Nations Development Programme (UNDP), which

gave the host country meaningful ownership and control over the issue. UNDP should not let that innovative approach be stifled by the exigencies of bureaucracy and accounting bottlenecks.

50. Mr. ZULU (International Monetary Fund), summarizing the major conclusions and decisions of the recent annual meetings of the International Monetary Fund and the World Bank held in Hong Kong, China, said that participants had expressed the view that global opening and integration in economics, finance and trade offered the surest path to greater overall prosperity. They had also given IMF authority to promote the orderly liberalization of capital movements and had recognized the vital importance of sound policies on the part of member countries as well as the continuing need for effective surveillance by IMF. While concern had been expressed about the stubbornness of speculative pressures, it had been concluded that a return to controls was not the right antidote but, rather a higher level of disclosure and transparency so that players could act based on timely and accurate information. Participants had also attached critical importance to good governance in all its dimensions. A 45 per cent increase in IMF quotas had been approved, raising the total IMF quotas to approximately $285 billion, considerably enhancing the Fund's capacity to continue to address financing needs, including systemic financial crises. Of equally critical importance was the decision on a one-time equity allocation of special drawing rights which would henceforth allow all members to participate in the special drawing right system on an equal footing. That agreement would allow the Fund to strengthen its financial base relative to the size of the world economy.

51. The countries best placed to benefit from globalization were those adapting to change and transforming their policies and structures to support more market-based outward-oriented growth. In that regard, while the crisis in South-East Asia was disturbing, especially because it had been foreseen and could have been prevented, it should not be concluded that globalization was dangerous. Indeed, the quick policy actions taken by the countries concerned had rather heightened the awareness of globalization and underscored the dangers of adapting too slowly.

52. In order to achieve sustainable development, bolder reforms were needed, including the administration of taxes and public expenditure systems as well as improving the transparency of fiscal accounting. Countries should also focus social programmes on sectors such as health and education, and reduce their excessive military expenditures. Reforms must be aimed at achieving more private sector development. Sound banking systems were also essential for macroeconomic stability and strengthening of markets.

53. Mr. BUNE (Fiji) said that the design of the new World Trade Organization, intended as a vehicle for enhancing international trade at the global level, had been unrealistic, and had not taken into account that the economies of its members differed in size, resource base, technology, number of skilled workers in the labour force, location and transport systems. While recognizing the importance of an open, rule-based, equitable, secure and non-discriminatory multilateral trading system, Fiji, along with other small island developing States, called for the retention of trade preferences. It was concerned that no tangible benefits could yet be seen from the establishment of WTO, and that

certain developing countries had been pressured to renounce their import control rights under the General Agreement on Tariffs and Trade (GATT). It called on UNCTAD to play a greater role in protecting the interests of developing countries in international trade.

54. The declining level of official development assistance in recent years was a cause for concern for small island developing States because such assistance was an essential component in improving their infrastructure and human development. His delegation, therefore, expressed appreciation to Norway, Denmark, Sweden and the Netherlands, which had surpassed the target of 0.7 per cent of gross national product (GNP) for official development assistance, and welcomed the pledge by the Prime Minister of the United Kingdom to reverse the decline in United Kingdom assistance.

55. Along with a durable solution to the debt situation of developing countries, the question of capital flows must be addressed. For middle-income countries like Fiji, World Bank and International Monetary Fund criteria made it difficult to secure needed loans. Social indicators should also be taken into account in appraising a country's overall development performance. Flows of foreign investment capital contributed significantly to industrialization. If developing countries were to survive in the current globalized economy it was imperative that they become industrialized.

56. The issues of sustainable development and climate change were of profound importance, particularly to the small island States of the South Pacific region, which would suffer disastrous consequences if the sea level were to rise, even marginally. The recent special session of the General Assembly had proved to be a disappointment to many small island States. His delegation, as a member of the Alliance of Small Island States (AOSIS) called on all industrialized countries to reduce their emissions, especially carbon dioxide, to at least 20 per cent below 1990 levels by 2000. Those States responsible for greenhouse gas emissions could not sit idly by and allow circumstances to continue to deteriorate.

57. Mr. KEREM (Israel) said that while ideas about the best ways of promoting development had changed over the years, in the light of Israel's particular experience in working for development, his delegation held three things to be true. First, food security remained an overriding necessity to much of the world. Without it, it would be difficult to rise from poverty, much less aspire to the various benefits stemming from development. Maintaining a healthy rural/urban balance was one aspect of ensuring food security. Second, development must learn to use the private sector, both international and local, and not rely solely on international donors. Mobilization of local resources, even on a small scale, was a necessary condition for sustainable development. Third, both good management and good governance, through a leaner and more efficient State, would provide the context for the developing world to go forward.

58. To those points could be added one more: in cases of conflict, the peace process must be linked to development. The assurance of a better life was a guarantor of conflict settlement, as borne out by many examples in South-East Asia, Latin America and even Israel's own region, the Middle East. Israel,

which had started out as a poor country with few resources, had served as an example to many countries. It had shared its experience and approaches through an international cooperation programme that worked with 143 countries, including Egypt and many of its other neighbours, not the least, the Palestinian Authority.

59. As a country which had faced severe environmental problems, Israel had tried to make a contribution to the global understanding of environmental issues. One recent initiative had been an expert meeting on the synergies between the conventions on biological diversity, climate change and desertification. Progress in that area would rest on the recognition by the nations of the Middle East that environmental problems transcended political disputes, and that cooperation offered a better future for all.

60. Israel welcomed the Secretary-General's reform proposals, but regrettably, could not agree with the contention that universality had been attained. As long as Israel was denied membership in a regional grouping, open to every other Member State of the United Nations, it could not fulfil its potential to contribute to the system through election to the Security Council, the Economic and Social Council or any other organ.

61. Ms. ARYSTANBEKOVA (Kazakhstan) said that her delegation welcomed the regional approach to economic problems, which the Secretary-General had emphasized in his report on the work of the Organization. Accordingly, it supported his efforts to strengthen the Economic and Social Council and the creation of the United Nations Development Group.

62. The programme of economic reform, privatization and democratization undertaken in Kazakhstan in the five years since independence had become irreversible. During that relatively short period, its economy had begun to register growth. Kazakhstan ranked second among all post-socialist countries in terms of foreign investment and it was also preparing to join in the World Trade Organization, which would help it become an integral part of the global economy.

63. Kazakhstan appreciated the support expressed for its proposal regarding the establishment of a joint body consisting of the Economic Commission for Europe (ECE) and the Economic and Social Commission for Asia and the Pacific (ESCAP) for the countries of Central Asia. The adoption of General Assembly resolution 51/168 on the transit environment in the landlocked States in Central Asia and their transit developing neighbours had been another important step in international and regional cooperation, which, when implemented, would accelerate the integration of those economies into the world market.

64. In addition to the economic difficulties it had faced during the transition period, Kazakhstan and other Central Asian States had been confronted by an ecological disaster in the Aral Sea region and at the Semipalatinsk nuclear test site. United Nations cooperation and technical assistance in dealing with those problems had been greatly appreciated. The Governments of Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan, recognizing that a joint approach was needed, had issued the Almaty Declaration, which, inter alia, declared 1998 as Environmental Protection Year in the central Asia region under the auspices of the United Nations. Those Governments hoped for more active

participation by the specialized agencies of the United Nations system and the international donor community in efforts to reclaim and restore the environment of the Aral Sea basin.

The meeting rose at 1 p.m.